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FILE NO: 56428.37

December 16, 2011

By Hand Delivery

Fernando Galindo, Clerk United States District Court Eastern District of Virginia 600 Granby Street, Room 193-B Norfolk, Virginia 23510

> ActiveVideo Networks, Inc. v. Verizon Communications Inc., <u>Verizon Services Corp., Verizon Virginia Inc. and Verizon South Inc.</u> Civil Action No. 2:10cv248 (RAJ/DEM)

Dear Mr. Galindo:

Please file the enclosed Supersedeas Bond No. 105666917 for \$23,000,000.00 on behalf of Defendants Verizon Communications Inc., Verizon Services Corp., Verizon Virginia Inc. and Verizon South Inc. in the above-referenced matter. Verizon submits this bond pursuant to the attached December 14, 2011 Order from the United States Court of Appeals for the Federal Circuit ("Federal Circuit Order"), which, subject to the posting of a bond for each ordered payment, temporarily stayed payment of the sunset royalties ordered by the District Court in its November 23, 2011 Order (ECF No. 1209) ("November 23 Order"). See Federal Circuit Order at 2.

The attached bond covers the first two ordered payments — due December 16, 2011 and January 1, 2012. See November 23 Order at 27. Verizon has chosen to bond the second payment now so as to avoid any problems or delays associated with the upcoming holidays. Verizon has estimated the monthly royalties due under the November 23 Order to be \$11,000,000.00 per month. The attached bond of \$23,000,000.00 was conservatively calculated to cover two monthly payments, plus an additional \$1,000,000.00 for interest and potential increased subscribership.

Please let me know if you have any questions.

Very truly yours,

Brent L. VanNormar

**Enclosures** 



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cc: Honorable Raymond A. Jackson (via hand delivery)

Stephen E. Noona, Esq. (via email)
Daniel Johnson, Jr., Esq. (via email)
Henry B. Gutman, Esq. (via email)
Gregory N. Stillman, Esq. (via email)